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Economic **PERSPECTIVE**

DEVELOPING A STRATEGIC DIRECTION - TAKING GLASGOW INTO THE MILLENNIUM

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Over the last twenty years Glasgow's regeneration has been driven, not by strategy, but by projects. The most conspicuous have been the many events that the City has hosted. Starting with the Garden Festival in 1988 there has been a steady stream of events. Some, such as European City of Culture and, to come in 1999, City of Architecture and Design, have been year long events. Others have been of far less significance. Indeed some have been so low key as to almost sink without trace. Beyond a desire to position the City on the national and European stage it is often difficult to see what lasting benefits they have brought. Indeed some commentators have argued that they have been divisive, exacerbating the divisions between the affluent inner suburban areas and the outer city local authority housing schemes. Too often it has seemed as if capturing events was sufficient justification, rather than the gains they would bring to the City. Whilst many of the events have been very well planned and executed, at times Glasgow has seemed to be a City lacking any sense of direction. The agenda for the City has been written, not by the City Council or the Glasgow Development Agency (GDA), but by bodies based in Brussels, Westminster, or Edinburgh. Glasgow has identified an opportunity and seized it. This can be described as the City being visionary and entrepreneurial, or any of the other adjectives taken from the public policy dictionary of the late 1980s and 1990s. An alternative explanation is that Glasgow is a City that is so lacking in any sense of purpose that it lets others determine its direction.

The City has experienced twenty years of project driven activity. Ironically, given the length of time it has lacked any coherent strategy, it now seems likely to have two: one being produced by the Regeneration Alliance and a Joint Economic Strategy being drawn up by the City and the GDA. Leaving aside the obvious question as to why it has taken so long to draw

up a strategy, it is now an opportune time to ask some fundamental questions about the content of such strategies and their purpose.

Strategic Boundaries

One of the main problems of public sector strategies is that their spatial boundaries coincide with the boundaries of the agency drawing up the strategy. Whilst this may seem to be axiomatic, in that public agencies can only formulate and implement policy for their own "policy space", it does cause problems, none more so than when economic development is considered. Unfortunately there is no such thing as a "Glasgow" economy. The City's boundaries owe more to nineteenth century municipal politics than to the economic realities of the late twentieth century. Glasgow, like all councils in the West of Scotland, has a very open economy. Over half of the jobs are taken by residents from other council areas. The City's residents too have jobs elsewhere, especially in Renfrewshire and Lanarkshire. As such it makes a nonsense to produce a strategy solely for Glasgow. What happens in Glasgow has an impact far outwith its boundaries. Any strategy, therefore, needs to be one for the whole of the West of Scotland. This would stop the territorial nonsense whereby every authority wants, for example, its own sites for inward investment. As can be seen with the current strategic sites initiative in Glasgow, public money is spent on preparing sites which may have limited appeal to the private sector without considerable subsidy. When seen from outside of Scotland there is little difference between Glasgow and East Kilbride or Glasgow and Bishopton. Yet public agency boundaries create these artificial distinctions so that individual agencies act as if they are isolated nation states. This is not to advocate a reform of the boundaries of local government. Whilst many think this is needed it seems unlikely to happen. As such what is needed is real partnership: the local authorities and Local Enterprise Companies (LECs) coming together on a formal basis to produce a strategy for the Clydeside conurbation. The need for this is recognised in strategic land use planning, with structure plans being produced for areas covering more than one council. The mobility of employment would seem to make such a partnership even more of a prerequisite for economic development. The only thing stopping this happening is the willingness of the neighbouring councils and LECs to agree amongst themselves. Equally nonsensical boundaries exist in many other countries, for example the United States. Despite this they seem to create far fewer problems than in Scotland. Whilst there could be benefits to the West of Scotland such a move would also act as a counterbalance to the Parliament, one of

whose responsibilities would be economic development. If the West of Scotland can show that it is co-operating in the production of an economic development strategy then it is likely to be taken seriously by the Parliament and act as a brake upon the centralisation that could be one of the unintended outcomes of the new system. It could also begin to exert a major influence upon the Parliament as it begins to address economic development issues. After all the West of Scotland is crucial to Scotland's economic success. A clear, implementable strategy that had the support of all the local authorities and the LECs would be very difficult for any Parliament, of whatever political persuasion, to ignore.

It also needs to be remembered that, unlike land use planning, there is no statutory requirement to produce an economic development plan. As such, if the GDA and City Council can co-operate on a voluntary basis to produce a strategy for Glasgow there is nothing, other than their willingness, to stop the neighbouring councils and LECs doing this for Clydeside. All these bodies mention partnership in their literature. Now would seem to be an ideal time to put this into practice in a way that would benefit not just Clydeside but the whole of Scotland.

Strategy Content

There is then a need to consider the content of economic and regeneration strategies. All too often public agencies seem to think that they can second-guess the private sector. One of the symptoms of this is reliance upon economic forecasting. All that is certain about forecasts is that they will be wrong. Public sector intervention is also bedevilled with problems of displacement and deadweight. The net effect may be that often there is little additionality from public sector activity, merely a reshuffling of parts of the local economy. Despite these problems public agencies have moved into economic development and regeneration in a big way in recent years. If one wanted to be very cynical this move could be seen as an attempt to divert attention from the very real failings of public agencies to deal with fundamental problems in such key areas as housing and education. Often, beyond the ritualistic calls for more resources, it seems as if there are few ideas as to how to solve these problems. The response seems to be to leave them to one side and move onto economic development and regeneration. This is more exciting and glamorous. Yet there are few indications that the public sector will be more successful in influencing the very diverse private sector than it has been in dealing with those services for which it has direct responsibility. As such the most effective economic development and regeneration strategy

might be one that concentrated upon providing a quality infrastructure which the private sector could then exploit to create jobs and wealth. This might not be as exciting as trying to spot the growth sectors of the twenty first century but it might have far more impact in the long term. Such infrastructure, in the context of Glasgow, would cover a number of key areas. Education is clearly one which, more than any other area, is crucial to the success of any economic development and regeneration strategies. Not only would better educated resident population be more attractive to employers, is also more likely to consider self-employment as an option and might be more highly motivated and therefore more civic minded than are some of the City's current residents. Many of the social problems that the City faces would therefore be solved and exposed for what they are: symptoms rather than problems in their own right.

The City's education performance is appalling, with over a quarter of residents having no qualifications. The failure of the education system, both primary and secondary, is then reflected in school leavers who lack motivation and interest, something that has recently begun to attract the interest of those economic development agencies at the front line in dealing with these issues. In its turn this has spawned a whole family of "training" agencies and schemes. Many of these are not involved in training but in basic education, especially literacy and numeracy, and motivation: the sort of things that should have been covered in school. If these problems could be solved by the school leaving age then resources that are currently used for what is essentially remedial education, albeit sold under the guise of "training", could be released and used for other purposes. Unless significant progress can be made in dealing with educational under achievement then it seems unlikely that many of the City's economic problems can ever be solved. To promote economic development policies that are based upon such a weak educational foundation seems guaranteed to do little more than suck in more commuters as the City's residents lack the skills and competencies to compete for jobs that are created by inward investment or the growth of indigenous companies.

There is also a need to address the City's public realm: the streetscape, especially in the City centre. Although some progress is underway large parts of the centre are in an appalling state with uneven and poorly patched pavements the most obvious of the many problems. Whilst it is easy to write off such things as being unimportant details they can be very powerful in influencing perceptions of the City and can easily undermine the effect of publicity campaigns to attract

inward investment and visitors. Indeed the limited attention paid to the City's streets until very recently is perhaps the most obvious example of the City's ability to go for the "big gesture" at the expense of the all important detail. Related to this is the problem of derelict sites, often directly adjacent to the City centre. Their continued existence reflects the fragility of the City's economy. Although many sites are contaminated it seems unlikely that there will ever be demand for them. Yet they remain and blight large tracts of the City, especially East of the centre. There is a need to think more creatively about them. This needs to be related to a wide-ranging debate about the spatial form of the City. Rather than spend money on reclaiming sites and bringing them forward for uncertain development at great public expense it might be better to adopt a strategy that shrinks the City. This could involve greening derelict sites, the gradual retreat of public services from certain areas and selective demolition. The problems that the City has recently faced over school closures shows how difficult this is and reflects the general difficulties that the public sector always has in contracting and shutting services rather than continuation or expansion. Yet a compact City would be more easily served by public transport, be more economical in its use of resources, and would be inherently more sustainable.

What Is Glasgow?

A strategy also needs to be based upon the City's economic reality. There are many such realities. One of the most obvious, yet one that paradoxically public policy makers prefer not to mention, is that the City's economic base is heavily dependent upon public sector employment. Thus Health and Social Work, Education and Public Administration and Defence, all of which are predominantly publicly funded, accounted for almost a third of the City's jobs in the early 1990s. Even more significant, in the 12 years to 1993 of the 5 industries that showed most job growth 3 were mainly in the public sector. Whilst it is part of the political correctness that affects employment forecasts, to assume that public sector employment will decrease, such employment has proved to be surprisingly resilient. For example in the decade to 1995, when the public sector faced unprecedented financial pressures, employment in local government fell by only 2%. A Scottish Parliament could see such employment grow. Glasgow is predominantly a public sector City. Despite this, economic development policy attempts to influence the private sector. Any strategy needs to start with a wide ranging debate, not about employment forecasts which are generally predictions of past trends, but about the function of the City. Glasgow might gain far more if it were to see its role as a centre

for public and quasi-public services serving the whole of Scotland. In effect this would be acceptance of the current reality. If it proves possible to deliver an excellent quality of service then the private sector jobs that the City so covets might be attracted to the City. In essence this is an argument for the City to focus upon what it arguably should be doing: providing quality services in education and other key areas that are critical determinants of economic success. That this is currently not done very effectively can be seen from the growing numbers of jobs that are taken by in-commuters. Whilst Glasgow is keen to argue that residents from these areas take advantage of services such as culture and leisure facilities whilst making no payment for them it could be argued as forcibly that Glasgow benefits from the better quality of education that these adjacent authorities are capable of providing. Without the skilled workforce of these areas it is doubtful if many of the companies that contribute to the City's local tax base would remain. The issue of subsidies may therefore be far more complex than the City likes to present it. Undoubtedly the failure to deliver effective educational services to all children in the City reflects a multiplicity of factors, not all of which are the fault of the Council. Yet local government is either important or it is not. If it is important then it needs to take responsibility for the failures in those services for which it has a statutory duty. If it argues that the problems are so complex that it cannot deal with them then this is in effect saying that local government is unimportant in that it cannot effect the quality of provision in services that are crucial to long term success for the individual and the country. If this is the case then a radical rethink is needed about the whole nature and purpose of local government and questions asked if it is actually required in anything like its present form.

Any strategy also needs to accept the spatial reality of City centre, especially the retail core. Although it is in the City it is arguably not part of it as it serves a national or even an international market. That the Centre is still the prime retail location in the West of Scotland is more than anything else a reflection of strong strategic planning which has forced retailers to develop in identified centres and restricted the growth of edge-of-town and out-of-town centres. If strategic planning becomes less effective and less favourably disposed towards Glasgow, following the abolition of Strathclyde Region and the introduction of new arrangements for strategic planning, then the strength of the retail core could be undermined. Many of the major multiple retailers could function just as effectively in out-of-town locations, which would be more accessible to those with private transport. Similar considerations could apply to office based employers,

especially the call centre operators who seem to loom large in any consideration of the City's economic future. Those producing economic and regeneration strategies therefore need to realise that to some extent the City Centre's prosperity is artificial: it is a creation of strong strategic land use planning policy. Not only is the City's economy strongly based upon public sector employment, but even its key private sector employers, especially in retailing and office uses, are based in the City as a consequence of strong local authority land use policies. If these policies become less effective then any economic development or regeneration strategies are likely to find it very difficult to make much impact. The trend seems to be for policy to become more and more fragmented. Strategies are being produced for economic development, for regeneration and for land use planning. The danger is that they are treated as issues that can be dealt with in isolation whereas the reality is that they are mutually dependent. This needs to be recognised and strong links made at both organisational and policy levels between the various strategies. If this is not done then the City may be faced with a plethora of strategies all of which are ineffective as they fail to see that the City's problems are interlinked: land use cannot be divorced from economic development nor from regeneration.

Conclusion

The current round of strategy formulation and consultation should be the ideal opportunity to discuss

these wide ranging issues. Yet the danger, which already seems evident, is that the City misses the opportunity. It focuses upon a continuation of the past "strategy" of disparate activities whose benefits are unclear. The only change is that the "strategy" now becomes forecast and trend driven rather than event driven. The outcome is likely to be the same: a City which has no vision of how it wants to develop but is at the mercy of very uncertain forecasts. The alternative is to move towards a prediction driven scenario: regardless of forecasts where does the City want to go, what form does it want to have and what role in Scotland the United Kingdom and Europe does it want to play? Policy is then derived from this future and the City and other agencies attempt to make it come true. Yet the prerequisite for success of a prediction driven scenario is realism. Glasgow will never be "A Great European City". Its aspirations need to match reality. Glasgow is a small, peripheral City, with a quite attractive Centre, a good and expanding retail core, some good, albeit often grossly neglected, architecture and attractive scenery on its doorstep. In European terms it is in the second or even the third league. Yet this need not be a matter of regret. It is the responsibility of public policy makers to reconcile their aspirations to this reality. If they can, and if they can deal with some of the City's fundamental problems rather than chasing after easily attained targets, which probably have little if any impact upon the City's economy in the long term, then Glasgow may become "Miles Better".